

Message Text

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64

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 AID-05 DODE-00 PM-03 H-02 L-03 NSC-05

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 1526

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E.O. 11652: N/A

TAGS: ELAB, ECOM, PINT, AR

SUBJ: COMPROMISE REACHED ON DEADLOCKED WAGE TALKS

1. FOLLOWING INTENSE DISCUSSION JUNE 14, AGREEMENT WAS REACHED ON GUIDELINES FOR COLLECTIVE BARGAINING WAGE INCREASES, THEREBY ENDING SERIOUS LABOR-GOA CONFRONTATION. COMPROMISE INVOLVED GOA ISSUANCE OF DECREE WHICH 1) EXTENDED DEADLINE FOR COMPLETION CONTRACTS TO JUNE 19; 2) SET MINIMUM WAGE AT PESOS 3,300 MONTHLY, 132 DAILY AND 16.50 HOURLY; 3) REGULATED LABOR LAW PROVISIONS ON MANNER IN WHICH WAGE INCREASES DETERMINED; 4) ESTABLISHED SYSTEM FOR AUTOMATIC RE-ADJUSTMENT OF WAGES. UNIONS NOW EXPECT CONCLUDE CONTRACTS BY DEADLINE WITH SEPARATE INCREASES, AVERAGING ABOUT 50 PERCENT, SET FOR EACH SECTOR.

2. MAJOR CONCESSION GOA WAS TO PERMIT WAGE INCREASES TO BE DETERMINED ON BASIC WAGE OF 1973 CONTRACTS PLUS INCREASES GRANTED UNDER GRAN PARITARIA AND "LEGITIMATE" INCREASES OBTAINED BY UNIONS. MINECON HAD PREVIOUSLY HELD OUT FOR INCREASES ON BASIC WAGE ONLY. QUARTERLY RE-ADJUSTMENT OF WAGES ON BASIS INCREASES IN COL IN EFFECT EXTENDS SOCIAL CONTRACT CONCEPT WHICH SHOULD BE BENEFICIAL ALL PARTIES. SYSTEM FOR RE-ADJUSTMENT WAGES TO BE DETERMINED WITHIN 30 DAYS BY COMMISSION COMPOSED OF REPRESENTATIVES MINISTRIES ECONOMY, SOCIAL WELFARE AND LABOR, AND CGT AND CGE.

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3. COMMENT: COMPROMISE SEEN AS VICTORY FOR LORENZO MIGUEL WHO
WAS UNDER HEAVY PRESSURE FROM BASES. FURTHER ANALYSIS WILL FOLLOW
ONCE RESULTS WAGE INCREASES ARE KNOWN.
MONTLLOR

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Message Attributes

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